



OCTOBER REVENUE ESTIMATING CONFERENCE MEETING

REC Meeting. The Revenue Estimating Conference (REC) met on October 11, 2010, and increased the estimated FY 2011 General Fund receipts by \$297.7 million compared to the March REC estimate (increased by \$23.5 million for post-REC law changes).

REC Estimate Changes for FY 2011. The October REC estimate for FY 2011 net General Fund receipts, including transfers, is \$5,757.5 million, an increase of \$123.9 million (2.2%) compared to actual FY 2010. Major changes from the March REC estimate include:

- An increase of \$141.1 million in gross income tax receipts. Slow recovery from the recession will provide a modest increase in personal income. The new estimate represents an increase of 3.6% compared to FY 2010 gross income tax receipts. Through October 8, 2010, gross income tax receipts were up 5.7%.
- An increase of \$113.3 million in gross sales/use tax receipts. The new estimate is an increase of 3.8% compared to FY 2010 gross sales/use tax receipts. Through October 8, 2010, gross sales/use tax receipts had increased 2.6%.
- An increase of \$48.5 million in gross corporate tax receipts. The new estimate is an increase of 8.1% compared to FY 2010 gross corporate tax receipts. Through October 8, 2010, gross corporate tax increased 10.0%.
- A decrease of \$66.2 million for tax refunds. The new estimate for tax refunds is a decrease of 1.2% compared to the FY 2010 refund amount.

Initial Estimate for FY 2012. The REC also established the initial revenue estimate for FY 2012. The estimate was set at \$5,945.8 million, an increase of \$188.3 million (3.3%) compared to the October REC estimate for FY 2011. The economic recovery is anticipated to remain slow and provide modest growth for gross income tax receipts (1.1%), gross sales/use tax receipts (3.0%), and gross corporate income tax (6.9%).

REC Comparisons. The table on the following page provides a summary of the past two fiscal years and the current REC estimates for FY 2011 and FY 2012. A more detailed spreadsheet of the REC estimates is available at: <http://www.legis.state.ia.us/Fiscal/qre/>

Next Meeting. The REC will meet again in December 2010, but a specific date has not yet been determined.

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Revenue Estimating Conference Projection

	Dollars in Millions			
	Actual FY 2009	Actual FY 2010	Estimated FY 2011	Estimated FY 2012
Income Tax	\$3,330.7	\$3,235.9	\$3,352.0	\$3,390.5
Sales/Use Tax	2,327.4	2,293.0	2,380.2	2,451.6
Corporate Tax	416.5	389.3	421.0	450.2
Insurance Tax	90.0	88.6	93.9	98.6
Cigarette Tax	215.8	206.1	199.9	192.9
Other Taxes	149.2	139.0	140.3	181.0
Total Taxes	\$6,529.6	\$6,351.9	\$6,587.3	\$6,764.8
Other Receipts	391.9	359.3	347.5	384.5
Gross Tax & Other Receipts	\$6,921.5	\$6,711.2	\$6,934.8	\$7,149.3
Accruals (Net)	17.2	13.1	-12.3	11.7
Refund (Accrual Basis)	-803.9	-859.1	-849.1	-870.1
Schl. Infrs. Refunds (Accrual)	-385.8	-372.5	-396.8	-409.3
Total Net Receipts	\$5,749.0	\$5,492.7	\$5,676.6	\$5,881.6
Transfers (Accrual Basis)	185.0	140.9	80.9	64.2
Net Receipts Plus Transfers	\$5,934.0	\$5,633.6	\$5,757.5	\$5,945.8
Year-over-year Incr./Decr.	\$-150.5	\$-300.4	\$123.9	\$188.3

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FINAL FY 2010 REVENUE AND BALANCE SHEET

Final FY 2010 Financial Results. The State accounting system books for FY 2010 were officially closed on September 30, 2010. The following information provides a summary of the final FY 2010 financial results.

Appropriations. The General Assembly originally appropriated a total of \$5,768.3 million from the General Fund for FY 2010. Throughout the course of the fiscal year, the appropriations were adjusted in several ways. These changes are summarized as follows:

- A General Fund appropriation of \$45.3 million was made in FY 2010 in accordance with Iowa Code Section 8.55 to repay the Economic Emergency Fund for funds that were transferred from the Economic Emergency Fund in FY 2009 to balance the General Fund budget.
- On October 8, 2009, the Governor ordered a 10.0% across-the-board reduction totaling \$564.4 million for all General Fund appropriations in response to a 7.1% decrease in the FY 2010 revenue estimate adopted by the Revenue Estimating Conference.
- During the 2010 Legislative Session, \$53.1 million in net supplemental appropriations and deappropriations were enacted. The significant appropriation changes included:
 - An increase of \$31.4 million for the Board of Regents
 - An increase of \$10.9 million for the Indigent Defense appropriation
 - An increase of \$10.5 million for the Mental Health Property Tax Relief Fund

- An increase of \$7.9 million for the Department of Corrections
- A decrease of \$14.7 million to the Judicial Branch and Legislative Branch appropriations
- Standing unlimited appropriations ended the fiscal year \$2.4 million higher than originally budgeted. The exact amount needed to fully fund for each of these appropriations is not known until the close of the fiscal year. An estimated amount is included in the original appropriation budget to account for these costs. At the close of the fiscal year and adjustment is made to the balance sheet to account for actual expenditure.

Reversion. A total of \$6.5 million of unspent appropriated dollars reverted backed to the General Fund at the close of FY 2010.

Revenues. The FY 2010 State General Fund revenue at the conclusion of the 2010 General Assembly was expected to total \$5,402.1 million, including transfer revenue, enacted Legislative adjustments, and net of tax refunds paid during the fiscal year. Revenue ended the fiscal year at \$5,633.8 million, \$231.8 million above final projections.

Disposition of Budget Surplus. The \$231.8 million in excess revenue, combined with the budgeted FY 2010 surplus of \$100.8 million and \$3.0 million in unspent net appropriations, produced a total budget surplus for the fiscal year of \$335.6 million. From this surplus, \$48.2 million will flow to the Senior Living Trust Fund and the remaining \$287.4 million will be deposited in the Cash Reserve Fund.

Estimated Condition of the General Fund (Dollars in Millions)		
	Actual FY 2009	Actual FY 2010
<i>Funds Available:</i>		
Receipts	\$ 6,921.5	\$ 6,711.4
Transfers	185.0	140.9
Tax Refunds	- 803.9	- 859.1
School Infrastructure Refunds (Accrual)	- 385.8	- 372.5
Accruals	17.2	13.1
<i>Total Funds Available</i>	\$ 5,934.0	\$ 5,633.8
<i>Estimated Appropriations and Expenditures:</i>		
Original Appropriations	\$ 6,133.0	\$ 5,768.3
Economic Emergency Fund		45.3
Across-the Board Reductions	- 89.1	- 564.4
Net Supplemental/Deappropriation	- 101.5	53.1
Adjustments to Standing Appropriations	16.6	2.4
Total Appropriations	5,959.0	5,304.7
Reversions	- 25.0	- 6.5
<i>Net Appropriations</i>	\$ 5,934.0	\$ 5,298.2
<i>Ending Balance - Surplus</i>	\$ 0.0	\$ 335.6
<i>Appropriations/Transfers to Other Funds</i>		
Senior Living Trust Fund	\$ 0.0	\$ 48.2
Cash Reserve Fund	0.0	287.4
<i>Total</i>	\$ 0.0	\$ 335.6
Numbers may not equal totals due to rounding.		

FY 2012 SCHOOL AID ESTIMATES

Updated School Aid Estimates. The FY 2012 school aid estimates were updated in September. Revisions were based on a meeting between the LSA, the Department of Management, and the Department of Education. Estimates will be revised in late December based on actual Fall enrollment data. No allowable growth rate has been established for FY 2012. However, the following bullets summarize fiscal estimates at a 0.0%, 2.0%, and 4.0% allowable growth rate. For full details regarding these estimates see the chart at:

http://www.legis.iowa.gov/DOCS/IsaReports/k12Education/FY2012_BuiltIns_Sept_14_2010_v1.1.pdf

Included in the State school aid General Fund increases at each allowable growth rate level are the following backfill items used in lieu of General Fund dollars in FY 2011:

- \$47.4 million to replace American Recovery and Reinvestment Act (ARRA) funds.
- \$5.7 million to replace Underground Storage Tank (UST) funds.
- \$156.1 million for the FY 2011 State aid shortfall due to the appropriation cap.

Based on updated FY 2012 estimates:

- At a 0.0% allowable growth rate for regular school aid and the State categorical supplements, the State General Fund increase will be approximately \$231.1 million compared to the FY 2011 General Fund total. Including the backfill amounts noted above, the total regular school aid is estimated to decrease \$9.6 million, preschool formula aid is estimated to increase \$30.9 million, and State categorical supplement aid is estimated to increase \$0.6 million.
- At a 2.0% allowable growth rate for regular school aid and the State categorical supplements, the State General Fund increase will be approximately \$296.2 million compared to the FY 2011 General Fund total. Including the backfill amounts noted above, the total regular school aid is estimated to increase \$49.5 million, preschool formula aid is estimated to increase \$32.5 million, and State categorical supplement aid is estimated to increase \$5.0 million.
- At a 4.0% allowable growth rate for regular school aid and the State categorical supplements, the State General Fund increase will be approximately \$362.2 million compared to the FY 2011 General Fund total. Including the backfill amounts noted above, the total regular school aid is estimated to increase \$108.1 million, preschool formula aid is estimated to increase \$34.1 million, and State categorical supplement aid is estimated to increase \$10.8 million.

Allowable Growth Rate Estimates. During the 2011 Legislative Session, the General Assembly will be required to set the FY 2012 allowable growth rate for regular school aid and the State categorical supplements. Under current law, the General Assembly will be required to set the FY 2013 allowable growth rate for regular school aid and the State categorical supplements. Estimates for total State funding for FY 2012 and FY 2013 are available on the LSA website at: http://staffweb.legis.state.ia.us/lfb/docs/k-12_ed/k-12_ed.htm. The LSA will provide school aid estimates by school district when updated enrollment data is available in December. Prior to that posting, individual school district estimates will be available upon request from the LSA.

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SCHOOL DISTRICT REORGANIZATIONS

School District Reorganizations. Through September, the following school districts have approved reorganizations beginning with the 2011-2012 school year (FY 2011 budget enrollments in parenthesis):

- Anita (274.4) and C and M (205.2) will merge to form CAM.
- Nora Springs-Rock Falls (411.0) and North Central (504.0) will merge to form Central Springs.
- Sac (427.1) and Wall Lake View Auburn (524.6) will merge to form East Sac County.
- IKM (418.7) and Manning (385.4) will merge to form IKM-Manning.
- Greene (283.0) and Allison-Bristow (296.1) will merge to form North Butler.
- SCMT (435.8) and Rockwell-Swaledale (328.2) will merge to form West Fork.

Levy Rate Changes. Based on the FY 2011 budget enrollments, these school districts will be eligible to receive the uniform levy rate reduction for the next three years. For FY 2012, the uniform levy rate for these districts will be reduced by \$1.00/\$1,000 of taxable valuation with State aid accounting for the

difference. The LSA estimates that for FY 2012, State aid will increase by approximately \$1.6 million as a result of the uniform levy rate reduction for these districts. For additional information regarding the school district mergers, please contact the Legislative Services Agency.

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SEPTEMBER MEDICAID FORECAST

Forecasting Group. Staff members from the Department of Human Services (DHS), Department of Management, and the Fiscal Services Division of the LSA met on September 27, 2010, to discuss estimated Medical Assistance (Medicaid) expenditures for FY 2010 and FY 2011, and FY 2012. The forecasting group meets monthly to discuss estimated expenditures and agree on a range for the current and upcoming fiscal years.

Medicaid Balance Sheet			
	<i>Final FY 2010</i>	<i>Estimated FY 2011</i>	<i>Estimated FY 2012</i>
Medicaid Funding			
Carryforward from Previous Year	\$ 36,587,215	\$ 57,523,302	\$ 0
Veterans Transfer to Hospital Rebase	1,833,333	0	0
Other Transfers	-3,774,367	0	0
ARRA Federal Recovery & Reinvestment Fund to MHIs	25,874,211	0	0
Property Tax Relief Transfer	3,271,911	0	0
Behavioral Health Account Carryforward	2,136,721	2,082,504	0
Senior Living Trust Fund	17,366,939	39,080,435	0
Transfer from Decat Waiver Waiting List	0	1,925,000	0
Cash Reserve Fund	0	172,800,000	0
Health Care Trust Fund	100,650,740	106,916,532	106,916,532
Nursing Facility Quality Assurance Fund	2,300,000	34,311,825	35,662,467
Hospital Trust Fund	0	39,406,000	39,231,000
Children's Health Insurance Performance Bonus	0	0	6,375,552
Total Non-General Fund for Medicaid	\$ 186,246,703	\$ 454,045,598	\$ 188,185,551
General Fund Appropriation	\$ 590,459,096	\$ 393,683,227	\$ 393,683,227
Covering All Children	47,523	2,297,649	2,297,649
Total All General Fund Sources	\$ 590,506,619	\$ 395,980,876	\$ 395,980,876
Total Medicaid Funding	\$ 776,753,322	\$ 850,026,474	\$ 584,166,427
Total Estimated State Medicaid Need	\$ 943,785,050	\$ 1,060,711,933	\$ 1,184,166,427
ARRA FMAP	-224,555,030	-104,301,148	0
ARRA Six-month Extension (Including Clawback)	0	-86,384,311	0
Total Estimated Medicaid Need	\$ 719,230,020	\$ 870,026,474	\$ 1,184,166,427
Midpoint of Balance/(Under Funded)	\$ 57,523,302	\$ -20,000,000	\$ -600,000,000
ARRA - American Reinvestment and Recovery Act			

FY 2010 Final. Fiscal Year 2010 ended with a \$57.5 million surplus. For the fiscal year, enrollment increased by 9.42% while expenditures increased by only 5.2%. The difference is due mainly to the enrollment of children who are less expensive to cover. In total for FY 2010, the State saved \$222.5 million as part of the American Recovery and Reinvestment Act (ARRA) Federal Medical Assistance Percentage (FMAP) enhancement. The year end surplus will carry forward and be used for FY 2011 Medicaid expenditures.

FY 2011 Range. For FY 2011, the forecasting group agreed Medicaid will have a supplemental need of \$0 to \$40.0 million, with a midpoint of a \$20.0 million supplemental need. The range includes the 6.2% FMAP increase, including tier two of the FMAP unemployment increase through the first six months of FY 2011 and the FMAP extension estimated at \$86.4 million, recently approved by Congress and signed by the President. In addition, the range takes into account a reduction of \$18.8 million for a lower State contribution for the Medicare Part D clawback payment to the federal government. The range also includes a \$15.0 million cash flow transfer from the Cash Reserve appropriation to Medicaid for the newly created Iowans Helping Iowans Program. It is assumed that legislative action will be required to restore the transferred funds.

FY 2012 Range. For FY 2012, the forecasting group agreed Medicaid will have a need of \$575.0 million to \$625.0 million, with a midpoint of a \$600.0 million need. The range assumes the elimination of all one-time funding sources including the Cash Reserve Fund, Senior Living Trust Fund, and the federal ARRA funds. The range also assumes the statutory rebase of nursing facilities of \$13.7 million and increased Medicare related costs of \$14.1 million.

Phase-Out FMAP Extension Enacted. The United States Congress recently approved, and the President signed, legislation to extend the ARRA FMAP by six months, through the end of FY 2011. The extension reduces the enhanced FMAP rate from 6.2% to 3.1% for the period of January to March of 2011, with another reduction to 1.2% for the period of April through June of 2011. The FMAP extension is estimated to save the Medicaid budget \$84.6 million over the second half of FY 2011. However, this is \$39.3 million less than the amount that would have been saved if the full extension been approved. Iowa assumed the full savings when calculating the FY 2011 budget.

New Drug Rebate Law. As part of the federal Patient Protection and Affordable Care Act of 2010, the federal government changed the law regarding drug rebates to recoup additional funds that are currently being paid to the State. Drug manufacturers have until October 1, 2010, to implement mandated changes in drug pricing. As a result, both the FY 2010 and FY 2011 impact of this change will occur in FY 2011. The most recent information provided by the federal government estimates that this change will cost the Medicaid Program \$1.6 million in FY 2010 and \$3.7 million in FY 2011.

Enrollment Increase. Medicaid continues to see rapid enrollment growth. In FY 2009, the Program added a total of 31,794 individuals, including 25,935 children. In FY 2010, the Program added an additional 27,164 individuals, including 19,286 children. In the first three months of FY 2011, the Program has added 2,729 individuals for a total program enrollment of 374,665.

Medicaid Enrollment Increases/(Decreases) for FY 2011					
FY 2011	Children	Adults	Aged	Disabled	Total
July	149	279	-106	117	439
August	1,471	1,034	68	337	2,910
September	-182	-414	-39	15	-620
Total	1,438	899	-77	469	2,729

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STATE GOVERNMENT REORGANIZATION ACT UPDATE

Government Reorganization Update. Senate File 2088 (State Government Reorganization and Efficiency Act) included multiple requirements and reports. The Fiscal Services Division of the LSA is providing a monthly update regarding action on items as the information becomes available. The following list contains results for recent items:

- Section 253 requires the Organic Advisory Council to increase fees by 10.0% for FY 2011. The fees have been increased but will not be collected until the spring of 2011.
- Section 268 required the Department of Economic Development and the Iowa Finance Authority to conduct a joint review of programs relating to housing and issue a report by September 1, 2010. The report reviews the various assistance programs within both agencies. The report has been received and includes the following summary:

“The duplicative housing programs within the agencies have been combined with the HOME program which funded rental and homeowner assistance transitioning to IFA on July 1, 2010. All other housing programs within the Department of Economic Development are either part of a business program or a one-time assistance package to specific communities. In the case of the Federal Disaster Recovery Housing, a majority of the allocation has been obligated with staffing and systems in place. These funds are specifically designated for storm-affected cities and counties in Iowa for a specific time period. Once these funds are completely obligated, no new funds will be appropriated from the federal government. In the case of the Enterprise Zone program, the administration is commingled between business and housing. The separation of those activities could prove problematic for communities that are applying for tax incentives.” The HOME Investment Partnership Program was authorized by the Cranston-Gonzales National Affordable Housing Act of 1990.

- Section 310 specifies multiple deadlines for the community empowerment transition provisions with several dependent upon decisions of the Early Childhood Iowa (ECI) State Board. On September 10, 2010, the State Board adopted draft criteria for the Levels of Excellence rating system to be piloted by two local ECI boards with the pilot process to be reviewed by the State Board in March 2011. A separate entry in this edition of *Fiscal Update* highlights more action.

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STATE APPEAL BOARD HEARING – VAN BUREN SCHOOL DISTRICT

Background. Over the past ten years, the Van Buren school district has transferred school district general fund dollars to cover a portion of costs to fund a daycare program run by the district. Over the ten-year period, the transfers have totaled approximately \$927,000. The transfers were in violation of current law and the daycare program has been discontinued. The daycare's Enterprise Fund was left with a negative balance, and is unable to repay the \$927,000 to the school district's general fund.

Appeal. The district petitioned the State Appeal Board to make permanent the transfer of \$927,000 from the school district's general fund to the daycare program fund. The Board reviewed the petition on September 7, 2010, and postponed making a decision. The Board indicated that additional information was required before making a decision.

Additional Review. The School Budget Review Committee (SBRC) also discussed the Van Buren school district situation at their meeting on September 13. The Committee requested the Department of Education to further review the transfer of funds and requested the Department to provide a determination of the appropriate school district fund to apply the transfer. Additionally, the SBRC may require the Department to request that representatives from the Van Buren school district appear before the SBRC to further discuss the situation.

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UPDATE ON IOWA STATEWIDE INTEROPERABILITY COMMUNICATIONS SYSTEM BOARD GRANTS

Federal Grant Update. The Iowa Statewide Interoperability Communications System Board (ISICSB) received two federal grants since 2008 for Iowa Homeland Security Communications. They are the Public Safety Interoperable Communications (PSIC) Grant and the Interoperable Emergency Communications (IECGP) Grant.

PSIC – The PSIC Grant Program was designed to assist local governments with communications improvements to meet new federal regulations. The grant can be used to upgrade existing equipment, purchase new equipment, and to assist with training and planning needs. Equipment purchases with this money do require a 20.0% match of the total investment. The total PSIC grant was \$10.9 million and \$8.4 million has been subgranted to local governments. Subgrantees that have completed their PSIC investment include: Johnson County Emergency Management, Scott County, Plymouth County Emergency Management, and the Iowa Department of Public Safety. Subgrantees still working on completing their PSIC investments include: Hardin County Sheriff's Office, Jasper County, Linn County, Polk County Sheriff, Story County Emergency Communications, Woodbury County, and the Strategic Technology Reserves (STR) which are mobile communications buses located in three separate parts of the State.

IECGP – The IECGP Grant Program is intended to be used to improve interoperable communication primarily through planning and response activities. Equipment may be purchased only in select grants under specific conditions. This grant is designed to assist both local and state governments with planning costs. Separate grant amounts were awarded in 2008, 2009, and 2010. Approximately 51.0% of the 2008 grant has been expended to date.

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EARLY CHILDHOOD IOWA STATE BOARD MEETING

Board Meeting. The Early Childhood Iowa (ECI) State Board met in its first regular meeting on September 10, 2010, in Des Moines. The Board took action on two major pieces of the transition from the Community Empowerment Initiative to the Early Childhood Iowa Program created in SF 2088 (Government Reorganization and Efficiency Act).

Mergers. The Board accepted letters of intent to merge, effective July 1, 2011, from the following counties:

- Emmet, Kossuth, Palo Alto, and Winnebago (currently three separate boards)
- Ida and Woodbury
- Hardin and Marshall
- Adair, Dallas, Madison, and Warren
- Clarke, Decatur, and Wayne
- Adams, Ringgold, and Union
- Fremont, Page, and Taylor (currently two separate boards)

The letters of intent represent the official beginning of the merger process, but the boards involved may choose to withdraw from the process prior to the effective date. If all of the above mergers succeed, the number of local ECI boards will be reduced from the current 57 to 46. Ten single-county ECI boards remain that do not meet the criteria for remaining a single-county area. The final deadline for mergers is July 1, 2012. Boards wishing to seek a waiver from the merger requirement must submit an application by April 1, 2011.

Draft Criteria Adopted. The Board also adopted draft criteria for the Levels of Excellence rating system. Under the rating system, boards will be ranked (from lowest to highest) as probationary, compliant,

quality, or model. The rating system will be piloted with two local ECI boards this fall, and the pilot effort will be evaluated and changes made by the State Board in March 2011. The first round of actual ratings using the new system will begin in September 2011. The first boards rated will be those that apply for a merger waiver based on being a "model" board.

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COURT DEBT AMNESTY PROGRAM

Court Debt Amnesty Program. Senate File 2383 (Debt Collection Act) enacted during the 2010 Legislative Session established a Debt Amnesty Program in the Department of Revenue for the period of September 1, 2010, through November 30, 2010. A report is due to the General Assembly on January 15, 2011.

Fiscal Estimate and Results. During the 2010 Legislative Session, the fiscal note for SF 2383 estimated a total of \$525.3 million in court debt outstanding and \$216.1 million of the total was identified as being more than four years old. The one-time revenue estimate for enactment of an amnesty program for FY 2011 was \$3.2 million and represented 1.5% of the total debt older than four years old. Through September 30, 2010, the Department of Revenue had mailed out 246,531 preprinted applications to individuals known to be eligible for court debt amnesty. The Department has approved 2,218 amnesty applications and deposited \$253,019 in the State General Fund. This represents 8.0% of the one-time revenue estimate for FY 2011.

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LAKE DELHI TASK FORCE MEETING

Task Force Meeting. The Lake Delhi Task Force held a public meeting on September 10, 2010, at the Maquoketa Valley High School in Delhi, Iowa. The meeting was chaired by Bret Mills, Department of Economic Development. The legislators in attendance included Senators Hahn and Hancock and Representatives Lukan and Zirkelbach.

Wisconsin Lake Damage Presentation. A presentation was given by Tom Diel, from Lake Delton in Wisconsin. Lake Delton had severe damage from excessive rains in May 2008. Repair expenditures were \$11.8 million with federal funds (Highway Commission) paying 80.0% and state funds paying 20.0%.

Damage Repair Presentation. A presentation was given by Jim Willy, Lake Delhi Association, that estimates the costs to fix Lake Delhi at \$9.8 million and outlined the following timeline:

- Step 1, beginning October 2010, is to stabilize the southern portion of the dam and clear out debris from the power house. Estimated cost is \$240,000.
- Step 2, beginning December 2010, is to repair the flood gates and build a concrete spillway. The estimated cost is \$5.8 million. This includes refilling the Lake in July 2011.
- Step 3, beginning April 2011, is to build an electric generation facility at the dam to help pay for the project. The estimated cost is \$3.8 million.
- Bids have been received and contracts have been signed, but funding is needed to begin.

Next Meeting. A tour was provided after the meeting. A public meeting will be held October 7 and the next Task Force meeting is October 8. Both will be held in Monticello.

More Information. The Department of Economic Development has a website for the Lake Delhi Task Force at: <http://www.iowalifechanging.com/lakedelhi/default.aspx>.

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BOARD OF CORRECTIONS MEETING

Board Meeting. The Board of Corrections met September 17, 2010, at Central Office in Des Moines.

Director's Report. Director John Baldwin updated the Board on the following:

- Midwest Directors of Corrections (DOC) meeting in Michigan. The meeting focused on cost containment and mental health issues.
- Compliance with Executive Order #20, relating to energy efficiency. The construction projects at Fort Madison and Mitchellville will be LEED-certified. The DOC is contracting with the Office of Energy Independence to review potential opportunities for energy efficiencies at Mount Pleasant, Anamosa, Oakdale, and Newton.
- Reopening housing units. The DOC had closed some housing units due to declining prison population and budget reductions. The DOC is now planning to reopen some closed units because of recent prison population increases. The Board of Parole's two vacant part-time positions have been filled, so it is expected that the number of paroles and work releases granted will increase.
- Sally Kreamer, Director of the Fifth Judicial District Department of Correctional Services, was selected as Executive of the Year by the National Association of Probation Executives.
- Construction. The bids for construction of the new maximum-security prison at Fort Madison were opened September 15. There were six bidders, with bids ranging from \$116.9 million to \$126.7 million, with the low bid submitted by Walsh Construction of Illinois. The Director stated the DOC has the financial wherewithal to proceed with the project, and verification of the low bidder's compliance with all the specifications will occur the week of September 20.

Boss Air Lift. Warden Terry Mapes presented information to the Board on the Boss Air Lift, sponsored by the Iowa National Guard and Reserves. Iowa is the second largest employer of staff in the Iowa National Guard and Reserves.

New Facility. District Director Sally Kreamer updated the Board on the Fifth Community-Based Corrections (CBC) proposal for a new 120-bed facility with two additional reporting wings, one for offenders with mental health issues and the other for high-risk probation and parole offenders. The facility will include intensive programming and outpatient services. No location has been determined for the facility. This facility is in addition to the Fort Des Moines (men) and Broadlawns (women) facilities.

Justice Mapping Center. Research Director Lettie Prell updated the Board on the Justice Mapping Center which launched the [National Justice Atlas of Sentencing and Corrections](#). The web site provides a neighborhood view of corrections. Ms. Prell also provided information on prison recidivism, defined as return rate to prison. The DOC followed FY 2007 releasees for three years after release. The rate of return to prison was 32.0% for this group of offenders, about half the national average.

FY 2012 Budget Request. The Board approved the FY 2012 General Fund status quo budget request of \$344.1 million for the DOC, with a letter to the Governor supporting the following items:

- \$3.3 million to replace Public Safety Enforcement Fund (PSEF) appropriations with appropriations from the General Fund. The PSEF is repealed at the end of FY 2011.
- \$5.0 million to fund the vacancy factor.
- \$6.3 million to fund operating costs of new CBC beds.
- \$1.8 million to provide additional staff at Fort Madison and Mitchellville during the transition phase of constructing new buildings.
- \$976,000 to meet constitutionally-mandated programs (legal and religion) in the prison system.
- \$15.5 million to restore security, treatment, medical, and support positions that were eliminated due to budget reductions.
- \$1.5 million to replace expiring grant awards.
- \$1.1 million to meet staffing requirements for the 24-bed forensic hospital at Oakdale. This package is based on an audit by the Department of Inspections and Appeals.

FY 2010 Capitals Budget Request. The Board also approved the FY 2012 capitals budget request of \$109.5 million.

Next Meeting. The next meeting of the Board is scheduled October 8 in Mason City.

STAFF CONTACT: Beth Lenstra (515-281-6301) beth.lenstra@legis.state.ia.us

RECENT FISCAL SERVICES PUBLICATIONS

Recent Publications. The Fiscal Services Division has recently published the following:

FISCAL TOPICS:

[Rebuild Iowa Infrastructure Fund \(RIIF\)](#)
[Workforce Development Training Programs](#)
[Funding of the I-JOBS Initiative](#)
[Secure an Advanced Vision for Education and the Property Tax Equity and Relief Funds](#)
[Revitalize Iowa's Sound Economy \(RISE\) Program](#)
[State Recreational Trails](#)
[Community Colleges: State Funding](#)
[Iowa's Gross State Product](#)
[K-12 Education Funding: Instructional Support Program](#)
[FY 2010 State Gaming Revenues](#)
[School Finance – School District Budget Guarantee Phase-out](#)
[Cigarette and Tobacco Tax Revenue](#)
[State Appeals Board Appropriations](#)
[Peace Officers' Retirement, Accident, and Disability System \(PORS\)](#)
[Board of Parole](#)
[Municipal Fire and Police Retirement System \(411\)](#)
[Iowa Public Employees' Retirement System \(IPERS\)](#)

ISSUE REVIEWS:

[Corrections Construction and Capacity](#)
[School Aid Formula Funding – Supplementary Weightings](#)
[Electrical Examining Board](#)

OTHER:

[Quarterly Revenue Estimate](#) (REC Estimate of 10-11-2010)
[Monthly General Fund Revenue Memo](#)
[12-Month Total Net Tax Receipts](#)
[Monthly General Fund Revenue Video](#)

MEETINGS MONITORED

Meetings Monitored. Following is a list of meetings recently attended and monitored by Fiscal Services staff. Please contact the staff listed for more information.

Meeting	Date	Staff Contact
Area Education Agency Task Force	8/30/2010	Shawn Snyder (281-7799)
Watershed Planning Advisory Council	8/30/2010	Deb Kozel (281-6767)
Early Childhood Iowa Board's Fiscal Account. Workgroup	9/2/2010	Robin Madison (281-5270)
Integration Workgroup (Smart Planning TF)	9/1/2010	Marcia Tannian (281-7942)
Comprehensive Planning Workgroup (Smart Planning TF)	9/7/2010	Marcia Tannian (281-7942)
State Soil Conservation Committee	9/7/2010	Deb Kozel (281-6767)
Information Sharing Workgroup (Smart Planning)	9/8/2010	Deb Kozel (281-6767)
Criminal and Juvenile Justice Planning Advisory Council	9/8/2010	Beth Lenstra (281-6301)
Public Safety Advisory Board	9/8/2010	Beth Lenstra (281-6301)

MEETINGS MONITORED (CONTINUED)

Natural Resource Commission	9/9/2010	Deb Kozel (281-6767)
Iowa Accountability and Transparency Board	9/10/2010	Holly Lyons (281-7845)
Lake Delhi Task Force	9/10/2010	Deb Kozel (281-6767)
Transportation Commission Staff Workshop	9/14/2010	Marcia Tannian (281-7942)
Early Childhood Iowa State Board	9/10/2010	Robin Madison (281-5270)
School Budget Review Committee	9/13/2010	Shawn Snyder (281-7799)
Disaster Recovery Update	9/13/2010	Sue Lerdal (281-7794) Jen Acton (281-7846) Dave Reynolds (281-6934)
Administrative Rules Review Committee	9/14/2010	Sue Lerdal (281-7794)
Business Case Management Task Force (Disaster Recovery)	9/14/2010	Joe Brandstatter (281-8223) Sue Lerdal (281-7794)
Human Services Council	9/14/2010 9/15/2010	Deborah Helsen (281-6764)
Rebuild Iowa Task Force – Smart Planning	9/15/2010	Sue Lerdal (281-7794) Deb Kozel (281-6767)
Iowa Telecommunications and Technology Commission	9/16/2010	Marcia Tannian (281-7942)
IPERS Investment Board	9/16/2010	Jen Acton (281-7846)
Board of Regents	9/16/2010	Dwayne Ferguson (281-6561)
Individual Case Management Work Group (Disaster Recovery)	9/16/2010	Sue Lerdal (281-7794)
Area Education Agency Task Force	9/17/2010	Shawn Snyder (281-7799)
Iowa College Student Aid Commission	9/17/2010	Dwayne Ferguson (281-6561)
Board of Corrections	9/17/2010	Beth Lenstra (281-6301)
Environmental Protection Commission	9/21/2010	Deb Kozel (281-6767)
Anatomy of Iowa Floods at Red Oak	9/22/2010	Deb Kozel (281-6767)
Watershed Planning Advisory Council	9/22/2010	Deb Kozel (283-6767)
Sex Offender Research Council	9/22/2010	Jen Acton (281-7846)
Tobacco Use Prevention and Control Commission	9/24/2010	Deborah Helsen (281-6764)
Health Care Commission Workgroup IV	9/29/2010	Deborah Helsen (281-6764)
E911 Council	9/29/2010	Jen Acton (281-7846)
Iowa Statewide Interoperable Communications System Board	9/29/2010	Jen Acton (281-7846)
Disaster Recovery Framework Review	9/30/2010	Jen Acton (281-7846) Sue Lerdal (281-7794)

This document is available on the LSA website: <http://www.legis.state.ia.us/Fiscal/fiscupdt/>

Publications Contact: Mary Shipman (515-281-4617) mary.shipman@legis.state.ia.us